Metcash Limited
ABN 32 112 073 480
1 Thomas Holt Drive
Macquarie Park
NSW 2113 Australia

2 December 2024

Market Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

METCASH LIMITED – FY25 HALF YEAR RESULTS PRESENTATION

Please find attached for release to the market the FY25 Half Year Results Presentation for Metcash Limited.

This document is authorised to be given to ASX by the Board of Directors of Metcash Limited.

Yours faithfully

Julie Hutton
Company Secretary

1H25 Half Year Results

2 December 2024

Group overview
and divisional results

Doug Jones

Group Chief Executive Officer

Metcash

Acknowledgement **of country**

We acknowledge the Traditional Custodians of the land on which we are all connecting today.

We are connecting from Wallumedegal Country and pay respects to Elders across Country, past, present and emerging.

Our Purpose

Championing Successful Independents in support of thriving local communities

- Successful independents
- Thriving communities
- Shareholder value

Strategy

Guides

Where to play
How to win

Operating Model

Guides

How we create & capture value

Culture, Values and obsessions

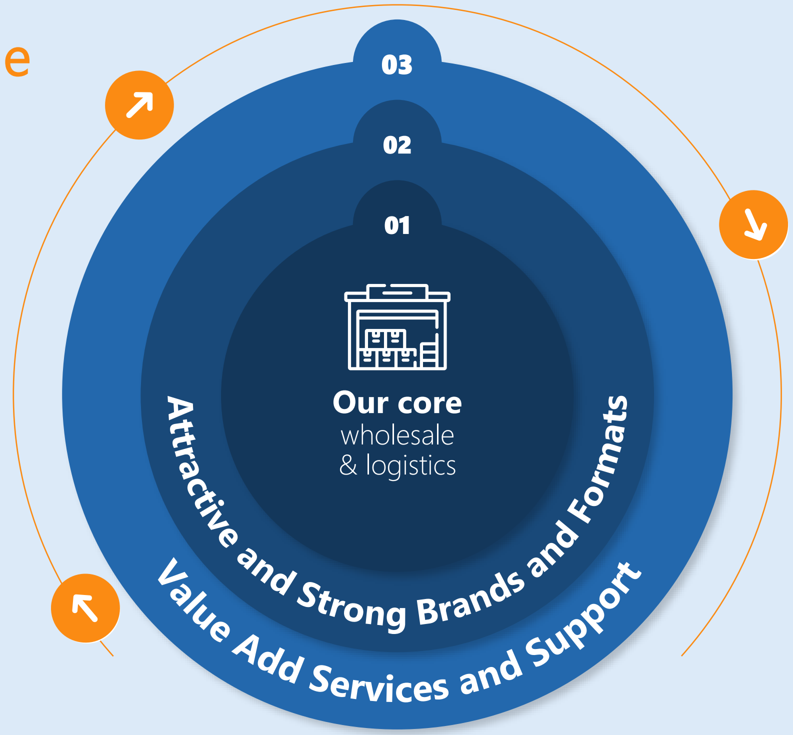
Guides

How we behave

Metcash is the leading wholesaler and service provider to independent businesses in Australia

Our flywheel

Is at the center of our unique business model



01 Supply chain and logistics capability, reach, reliability and efficiency

02 Independent businesses operated by our independent partners

03 Support and Services

Unique and Sustainable Competitive Advantages

Supply chain + **Integrated independent retail networks** + **Portfolio diversity** + **Retailer trust** + **Purpose-driven team** + **Supplier strategic alignment**

Metcash

Group overview

Diversified portfolio strategy continues to deliver

1. Market share held in Food and Hardware, up in Liquor
2. Strong earnings growth in Food
3. Standout sales performance in Liquor
4. More challenging external conditions, particularly in Hardware
5. Hardware responding to weaker activity – ideally positioned for market improvement
6. Acquisitions performing as expected given market conditions
7. Synergy realisation on track
8. New mega DC opened in Victoria and already ahead of legacy efficiency levels in most areas

Metcash

Group financial overview

Strong sales performance in challenging conditions – earnings held

New Truganina, Vic DC – transition from July 2024

Group Revenue[1]	Group EBIT	Reported PAT
$9.6bn	$246.1m	$141.8m
+6.3%	underlying **flat**	**+0.6%** (underlying **-5.5%**)

Cash realisation ratio[2]	Underlying EPS[3]	Total Dividend
85.5%	12.3cps	8.5cps
3yr average	reported **-10.3%**	**~70% UPAT**

1. Includes charge-through sales, which represent direct sales from suppliers to retailers, invoiced through Metcash
2. Cash realisation ratio (CRR) = cashflow from operations/underlying NPATDA (depreciation and amortisation not tax effected)
3. Includes impact of dividend reinvestment plan (DRP) and equity raise on weighted average shares outstanding (WASO)

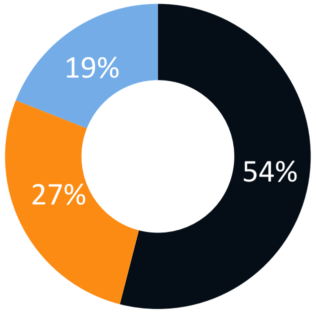
Results overview by pillar

	1H25 $m	1H24 $m	%
Sales Revenue (including charge-through[1])			
Food[2]	5,207.2	4,732.2	10.0
Liquor	2,536.4	2,485.2	2.1
Hardware	1,828.0	1,783.5	2.5
Total sales revenue (including charge-through sales[1])	**9,571.6**	**9,000.9**	**6.3**
Less: Charge-through sales[1]	(1,100.7)	(1,163.2)	(5.4)
Total sales revenue (Statutory Accounts)	**8,470.9**	**7,837.7**	**8.1**

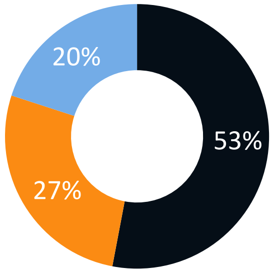
	1H25 $m	1H24 $m	%
Underlying EBIT			
Food[2]	119.9	101.7	17.9
Liquor	49.1	50.8	(3.3)
Hardware	93.9	110.6	(15.1)
Business Pillars	**262.9**	**263.1**	**(0.1)**
Corporate	(16.8)	(16.6)	1.2
Total	**246.1**	**246.5**	**(0.2)**

1. Direct sales from suppliers to retailers, invoiced through Metcash
2. Includes Superior Foods from 3 June 2024

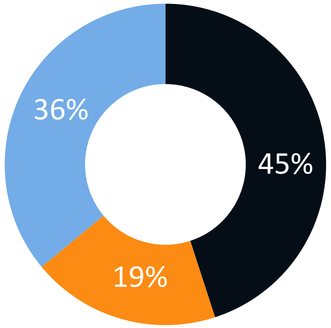
Food Hardware Liquor



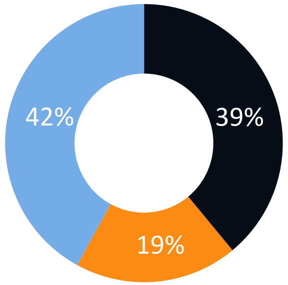
1H25
Total Pillar sales revenue $9.6bn



1H24
Total Pillar sales revenue $9.0bn



1H25
Total Pillar EBIT $263m



1H24
Total Pillar EBIT $263m

Metcash

Food sales

A larger, more diversified and more resilient business

Supermarkets sales

- Quality and competitiveness of independents' offer continued to resonate despite highly value-conscious environment
- Wholesale volume growth[1]
- Wholesale price inflation[1] 1.8% (1H24: 6.5%). October 1.2%
- Teamwork score (ex tobacco) increased 0.3ppt to 70%
- IGA LfL scan sales[2] +2.2% (ex tobacco)
- Foot traffic held (ex tobacco)
- Private label +9.0%
- Net IGA store growth (15 new, 5 closed, 6 to non-IGA brands)
- Further increase in illicit tobacco trade

Campbells & Convenience sales

- Strong performance (ex tobacco) underpinned by customer growth and wider product range being shopped
- New Ampol contract commences in 2H25

Superior Foods

- Strong growth v PCP (+6.1%[3]) underpinned by new contract wins
- Growth moderating as contract wins annualise

	1H25 $m	1H24 $m	%
Total revenue as per Statutory Accounts	4,590.5	4,116.6	11.5
Charge-through sales	616.7	615.6	0.2
Total revenue (including charge-through)	**5,207.2**	**4,732.2**	**10.0**
Tobacco	983.4	1,177.4	(16.5)
Total revenue excl. tobacco (including charge through)	**4,223.8**	**3,554.8**	**18.8**
Supermarkets (excl tobacco)	3,248.3	3,150.8	3.1
Campbells & Convenience (excl tobacco)	420.7	404.0	4.1
Superior Foods[4]	554.8	-	-

Retail network competitive, healthy and sustainable

1. Ex tobacco and produce
2. Based on scan data from 1,137 IGA stores
3. Superior Foods sales growth is for the period 3 June 2024 to 27 October 2024 vs Superior Foods' PCP
4. Superior Foods sales are for the period 3 June 2024 to 27 October 2024
5. Superior Foods earnings remain subject to finalisation of purchase price accounting adjustments that will be finalised in 2H25
6. EBIT margin: EBIT/Total revenue (including charge-through)

Food EBIT

A larger, more diversified and more resilient business

Supermarkets and Campbells & Convenience

- Strong trading performance (ex tobacco) underpinned by EBIT margin improvement
- Comparison with PCP includes:
  - Reduced strategic buying with lower wholesale price inflation
  - $4m decline in contribution from JVs
- Continued focus on cost management

Superior Foods

- Increased margin pressure in Q2
- Earnings seasonally weighted to 2H

EBIT Margin

- Improvement reflects change in sales mix and impact of Superior Foods
  - Supermarkets and Campbells & Convenience 2.3% (1H24: 2.1%)
  - Superior Foods 2.6%

	1H25 $m	1H24 $m	%
EBIT	**119.9**	**101.7**	**17.9**
Supermarkets and Campbells & Convenience	105.6	101.7	3.8
Superior Foods[1]	14.3	-	-
EBIT margin[2]	2.3%	2.1%	15bps

Strong earnings growth of ~18%, including Superior

Metcash

1. Superior Foods earnings remain subject to finalisation of purchase price accounting in 2H25
2. EBIT margin: EBIT/Total revenue (including charge-through)

Liquor

Strong sales performance underpinned by localised offer and improved execution of diversified customer strategy

Sales

- Independents localised and competitive offer continued to drive share gains in a challenging market, led by the IBA network
- Cost of living pressures driving focus on value and impacting consumption levels, particularly in on-premise
- Value growth across RTD, spirits, beer and wine
- New wholesale distribution agreement with Lion for SA market – commences Feb. 25

EBIT

- Small decline in earnings v PCP reflects:
  - Reduced strategic buying with lower wholesale price inflation
  - Prioritising network volumes
  - Cost inflation, particularly labour
  - Partly offset by good cost management
- EBIT margin declined 10bps

	1H25 $m	1H24 $m	%
Total revenue as per Statutory Accounts	2,529.3	2,478.2	2.1
Charge-through sales	7.1	7.0	1.4
Total revenue (including charge-through)	**2,536.4**	**2,485.2**	**2.1**
Wholesale sales to retail & contract customers	2,225.5	2,172.5	2.4
On-premise sales	310.9	312.7	(0.6)
EBIT	**49.1**	**50.8**	**(3.3)**
EBIT margin[1]	1.9%	2.0%	(10bps)

Further market share growth

1. EBIT margin: EBIT / Total revenue (including charge through)

Hardware

Disciplined execution in challenging market

Sales

- Continued softening in Trade activity, particularly in Q2
- Total sales increased 2.5% to $1.8bn reflecting the impact of acquisitions
  - IHG +2.7%
  - Total Tools +1.6%
  - Total LFL[2] sales decreased 5.6%
- Charge-through sales primarily in trade categories

EBIT

- Total EBIT declined 15.1% to $93.9m
  - IHG EBIT decreased $8.7m or 14.2%
  - Total Tools EBIT decreased $8.0m or 16.2%
- Impact of :
  - Weaker trade activity and retail margin pressure
  - Increased CODB pressures
  - Intense price competition in professional tools market in Q1
  - Partly offset by IHG acquisitions
- Responding through cost measures and accelerating initiatives to grow market share

	1H25 $m	1H24 $m	%
Total Hardware			
Total revenue as per Statutory Accounts	1,351.1	1,242.9	8.7%
Charge-through sales	476.9	540.6	(11.8%)
Total revenue (including charge-through)	**1,828.0**	**1,783.5**	**2.5%**
Network retail sales	2,309.9	2,335.3	(1.1%)
EBIT	**93.9**	**110.6**	**(15.1%)**
EBIT margin[1]	5.1%	6.2%	(106bps)

Market share held in IHG and Total Tools

1. EBIT margin: EBIT / Total revenue (including charge through)
2. LfL results reflect sales excluding acquisitions

Hardware - IHG

Sales

- Further softening in Trade activity, particularly in Q2
- Market share held
- Online sales +5.4%, conversion rate +17%
- DIY loyalty sales +1.8% (penetration ~47%)
- Strong growth in WA, all other states weaker
- Further moderation in inflation (1H25: 0.8%)
- Alpine and Bianco acquisitions performing as expected in current conditions
- Sales mix: 64% Trade / 36% DIY

EBIT

- Lower sales volumes, particularly in retail
- Wholesale margin 2.8% (1H24: 2.9%)
- Retail gross margins stable
- Retail EBIT margins under pressure due to deleverage on volume decline
- CODB cost pressures – wages, rent, statutory, but LfL retail costs lower than PCP through aggressive management actions
- Restructuring costs ~$2m (site relocations)
- EBIT margin in-line with pre-COVID levels

	1H25 $m	1H24 $m	%
IHG			
Total revenue (including charge-through)	**1,471.4**	**1,432.6**	**2.7**[3]
Total network retail sales	1,695.1	1,745.6	(2.9)
Retail scan sales[1]			(6.4)
DIY			(1.2)
Trade			(9.2)
EBIT	**52.6**	**61.3**	**(14.2)**
EBIT margin[2]	3.6%	4.3%	(70bps)

Ideally positioned to capitalise on market improvement

1. Based on sample of 358 network stores that provide scan data
2. EBIT margin: EBIT / Total revenue (including charge through)
3. Total revenue excluding Alpine and Bianco -3.7% vs PCP

Hardware – Total Tools

Total Tools sales

- Sales growth reflects new store roll out, partly offset by impact of:
  - Intense price competition in Q1
  - Weaker Trade activity
  - Trades people buying less due to cost-of-living pressures
  - Less JV acquisitions v PCP (1H25: 0; 1H24: 5)
- Network sales improved in Q2[1] (Q1: 2.6%, LfL -1.7%; Q2: 6.4%, LfL +1.3%)
- Strong growth in:
  - Exclusive Brands: wholesale sales +25%, retail sales +6%
  - Commercial +22%
  - Online +20%
- TTH JV store sales -0.3%
- Cash sales +1%
- Loyalty sales 91% of cash sales

Total Tools EBIT

- LTM EBIT/LTM network sales 6.5% (1H24: 7.8%)
- Average JV store margin (ex new stores) 7.3%
- JV store numbers flat through half (5 additional in 1H24)
- Other income generated by the network includes:
  - Franchise fee of ~2.5%
  - Exclusive brands, supplier income and other costs
- Decline in EBIT margin reflects change in revenue mix (-0.4%) and margin pressure in JV stores (-2.0%)

1. LfL results reflect sales on a same store basis
2. Based on 122 network stores' scan data
3. EBIT margin: EBIT/Total revenue

	1H25 $m	1H24 $m	%
Total Tools			
Total revenue (including charge-through)	**356.6**	**350.9**	**1.6**
Total network sales[2]	614.8	589.7	4.3
EBIT	**41.3**	**49.3**	**(16.2)**
EBIT margin[3]	11.6%	14.0%	(247 bps)

Stronger sales performance in Q2

Metcash

Hardware – strong fundamentals in challenging market

Focus on costs, cash and accelerating growth

Independent Hardware Group

Actions

- Strong focus on costs (reduction of headcount and labour hours, and elimination of discretionary spend)
- Expansion into volume builder segments (top 100 focus)
- Expansion of online range
- Accelerating Whole of House strategy e.g. new categories to existing customers (e.g. Frame & Truss opportunities from recent acquisitions)

Results

- Excluding acquisitions, retail expenses lower than PCP
- Retail inventory days reduction (2 days vs PCP)
- Reduction in capital expenditure and debtor days

Total Tools

Actions

- Margin initiatives
- Accelerate new store rollout
- Commercial, Exclusive Brands and online focus
- Completed relocation of off-shore consolidation centres to Ravenhall, Vic – delivering improved EB performance

Results

- 5 new stores in 1H25, additional 6 expected in 2H25 with 4 early in 2H
- Exclusive Brands store availability +4% to 96%
- Exclusive Brands wholesales sales +25%, retail sales +6%
- Commercial sales +22%

Long term market fundamentals remain positive

- Australia's housing under-supply
- Level of immigration
- Government investment
- Very low unemployment
- Low inflation continued

HIA indicating positive signs[1]

- New housing approvals up (7 consecutive months)
- Housing finance approvals up
- New home sales accelerating

1. Housing Industry Association (HIA) media release dated 19 November 2024

Group financials

Deepa Sita

Group Chief Financial Officer

Metcash

Financial Overview

- Continued sales growth in challenging external conditions, supported by strategic acquisitions
- Financial position includes benefit of Superior Foods acquisition on 3 June 2024
  - Enterprise Value $412m
- Excellent cost performance through disciplined execution
- 3yr cash realisation ratio ~86% – in line with guidance of 75% - 85%
- Underlying EPS 12.3 cps (includes dilutive impact of equity raise)
- ROFE[1] ~23%
- DLR 1.26x (within target range of 1.0x – 1.75x)
- Interim dividend 8.5cps – in line with annual target payout ratio of ~70% Underlying NPAT
- DRP remains in place (no discount)

1. ROFE = Underlying EBIT (rolling 12 months basis) /Average opening and closing funds employed

Metcash

Capital Management

Framework

Cash from operating activities	Cash for investing activities	Net interest & lease payments
Cash realisation	Core capex	Service obligations

Strengthening the core capex
Includes Maintenance and Expansion (M&A & new business development not included)

Maintain strong balance sheet
Target Debt Leverage Ratio[2] of 1.0x up to 1.75x

Reliable dividends
Dividend Payout Ratio of ~70% Underlying NPAT

Core cash flow
Additional capital allocation options

- Major growth projects
  Aligned to strategy and expect to deliver returns in excess of specific hurdles
- Surplus cash returns to investors

Maximising value for shareholders
Deliver strong return on funds employed in excess of WACC

1H25 Outcomes

Consistent and disciplined application of capital framework

	1H25	1H24
Operating cashflow	$164m	$218m
Capex & M&A[1]	$471m	$76m
DLR[2]	1.26x	0.59x
Net debt	$725m	$329m
Interim dividend	8.5cps	11.0 cps
ROFE[3]	~23%	27%

1. Excludes $36.1m cash outflow to acquire non-controlling interests through put option exercise, disclosed as financing cashflows
2. Debt Leverage Ratio (DLR) = Net Debt/Underlying EBITDA less depreciation of ROU assets (rolling 12 months basis)
3. ROFE = Underlying EBIT (rolling 12 months basis) /Average opening and closing funds employed

Metcash

Profit and Loss

	1H25 ($m)	1H24 ($m)	%
Sales revenue including charge-through sales	9,571.6	9,000.9	6.3
Charge-through sales	(1,100.7)	(1,163.2)	(5.4)
Sales revenue per statutory accounts	8,470.9	7,837.7	8.1
EBITDA[1]	**360.0**	**340.8**	5.6
Depreciation and amortisation	(113.9)	(94.3)	(20.8)
EBIT	**246.1**	**246.5**	(0.2)
Net finance costs[2]	(57.7)	(44.9)	(28.5)
Profit before tax and NCI	**188.4**	**201.6**	(6.5)
Tax[3]	(54.3)	(58.8)	7.7
Non-controlling interests	0.5	(0.3)	*nm*
Underlying profit after tax	**134.6**	**142.5**	(5.5)
Significant items (post tax)[4]	7.2	(1.5)	*nm*
Reported profit after tax	**141.8**	**141.0**	0.6
EPS based on underlying profit after tax	12.3c	14.7c	(16.3)
ROFE[5]	**22.7%**	**27.2%**	(450bps)

1. Includes share of profit from equity accounted investments of $6.0m (1H24: $10.9m)
2. Net finance costs for FY25 expected to be between $120m and $125m (assumes no change in current interest rates)
3. Income tax expense of $54.3m reflects an effective tax rate of 28.8% on underlying profit (1H24: 29.2%) and is below the corporate tax rate of 30% largely due to the share of profit from equity-accounted investments which are non-assessable to Metcash
4. Significant items includes $15.0m gain arising from the reversal of a previously impaired loan to an associate (Dramet Holdings Pty Ltd), put option valuation adjustment gains and acquisition costs of $7.7m (net gain), Project Horizon implementation costs of $8.7m, and Mega DC costs of $6.8m (all post tax)
5. ROFE = Underlying EBIT (rolling 12 months basis) /Average opening and closing funds employed

Cashflows

	1H25 ($m)	1H24 ($m)
Operating cashflows[1]	164.0	217.7
Investing cashflows[2], net	(465.5)	(71.1)
Capital expenditure[3] (including Project Horizon, DC upgrades and store upgrades)	(71.0)	(57.2)
Acquisitions of businesses[1,4]	(400.1)	(19.0)
Net loan repayments and other investing activities	5.6	5.1
Financing and lease cashflows, net	(171.6)	(126.4)
Step acquisitions of non-controlling interests (put-option settlement)[5]	(36.1)	-
Payments for lease liabilities, net and other financing activities	(64.6)	(61.6)
Dividends paid	(70.9)	(64.8)

(Increase) / decrease in Net Debt	(473.1)	20.2
3 year rolling Cash Realisation Ratio (CRR)[6]	85.5%	84.3%
Debt Leverage Ratio[7]	1.26x	0.59x

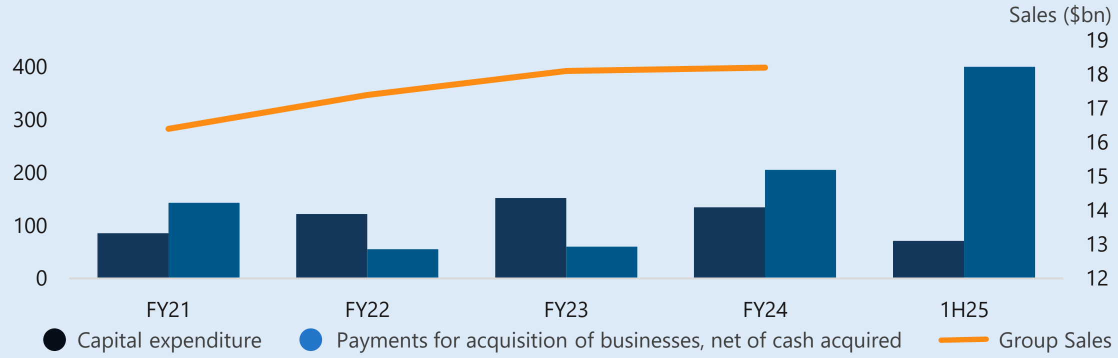
1. Metcash completed the acquisition of Superior Foods on 3 June 2024 at an Enterprise Value of $412.3m. This is reflected in a net cash outflow of $385.3m (investing cashflow), an increase in net working capital post completion of $19.2 million (operating cashflow) and deferred purchase consideration of $7.8 million expected to be payable in FY29, as further detailed in Note 5.2 of the 1H25 Financial Report.
2. Excluding any lease related cashflows
3. FY25 capital expenditure (excluding acquisitions) is expected to be ~$205m.
4. The cash outflow from acquisitions of businesses in 1H25 of $400.1m comprised $385.3m in relation to Superior Foods, $7.1m of purchase consideration paid in relation to other bolt-on acquisitions and $7.7m of cash paid to settle deferred purchase consideration in relation to acquisitions from prior years.
5. Represents cash payments to acquire an incremental ownership interest in a business from non-controlling (minority) shareholders by way of settlement of a put option liability. During 1H25, Metcash paid $36.1m to increase its ownership interest in 15 Total Tools JV stores (now 75-100% owned).
6. Cash realisation ratio (CRR) = Cash flow from operations/underlying NPATDA (depreciation and amortisation not tax effected)
7. Net Debt / (Underlying EBITDA - depreciation of ROU assets) (rolling 12 months basis).

Balance Sheet

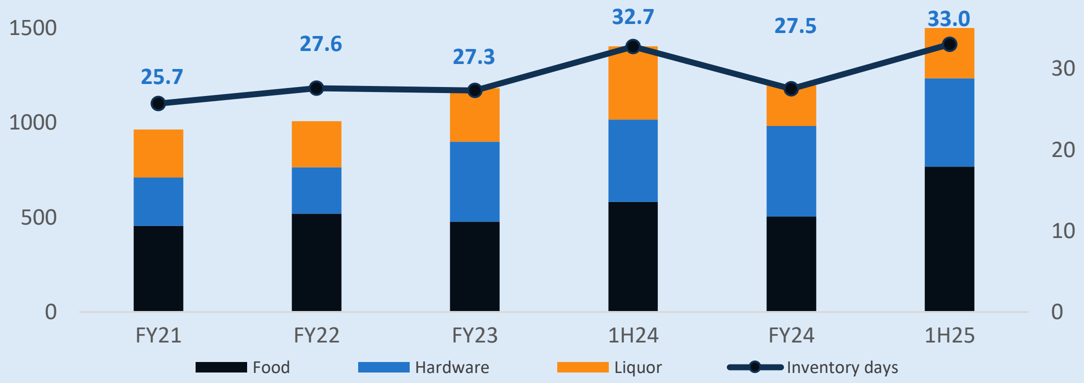
	31 Oct 24 ($m)	30 Apr 24 ($m)
Trade and other receivables and prepayments	2,192.6	1,906.2
Inventories	1,529.0	1,196.9
Trade payables and provisions	(3,163.1)	(2,635.0)
Net working capital	**558.5**	**468.1**
Intangible assets[1]	1,407.0	1,061.5
Property, plant and equipment	386.2	340.1
Equity accounted investments	141.8	135.6
Customer and associate loans and assets held for sale	36.4	22.9
Capital investments	**1,971.4**	**1,560.1**
Total funds employed	**2,529.9**	**2,028.2**
Lease receivables and 'right of use' assets	1,032.1	868.6
Lease provisions and liabilities	(1,279.5)	(1,093.9)
Net lease balances	**(247.4)**	**(225.3)**
Net debt	(725.0)	(251.9)
Put option liabilities	(129.0)	(175.4)
Tax, derivatives and other	159.7	152.8
Net Assets/Equity	**1,588.2**	**1,528.4**
Average Working Capital Days[2]	13.8 days	14.4 days

1. Subject to Superior Foods PPA finalisation
2. Average monthly net working capital days for the preceding 12 months

Capital expenditure ($m)[3]



Inventory ($m) and inventory days

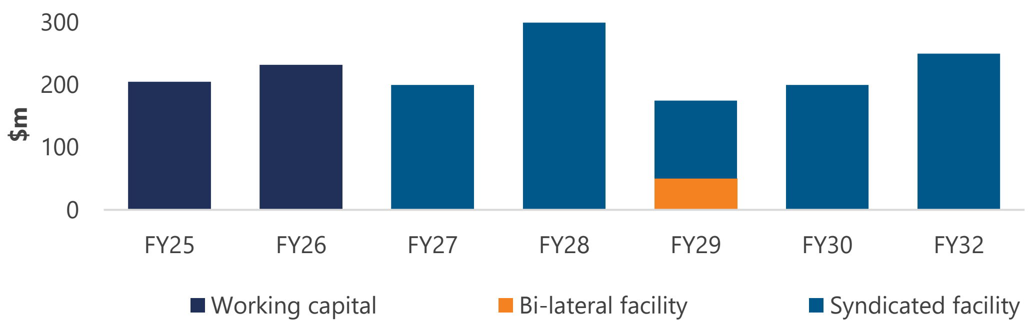


3. Excludes put option payments treated as financing cashflows of $36.1m (FY24: $139.8m) and also Software as-a-Service (SaaS) related prepayments and network stores' refurbishment costs treated as operating cash flows of $3.7m (FY24: $19.3m)

Metcash

Debt Management

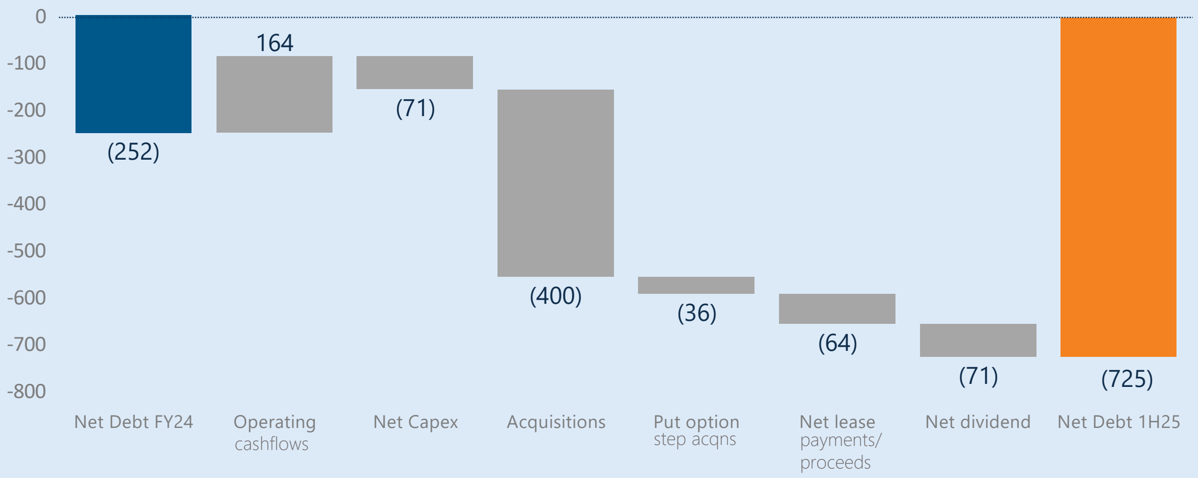
Debt facility maturity profile[1]



- Net debt of $725.0m (FY24: $251.9m), including cash and cash equivalents of $95.1m (FY24: $97.3m)
- Average net debt of $791m (FY24: $582m)
- $295m hedged (weighted average interest rate of 3.78%)
- Weighted average cost of bank debt 5.77% (FY24: 5.66%)
  - BBSY 4.4% (FY24: 4.2%)
- Undrawn debt facilities of ~$727m
- Total debt facilities of $1.56bn at 31 Oct
- Balanced debt maturity profile

1. As at 31 October 2024. Excludes lease liabilities

Group cash movements for 1H25 ($m)



Debt metrics and ratios	1H25	FY24
Weighted average debt maturity (years)	2.9	2.2
Weighted average cost of debt[2]	5.8%	5.7%
Debt leverage ratio[3]	1.26x	0.45x
Underlying EBITDA coverage[4]	3.3x	3.6x

2. Weighted average cost of debt over the period (excludes line fees)
3. Net Debt / (Underlying EBITDA - depreciation of ROU assets) (rolling 12 months basis)
4. Underlying EBITDA / (Net Finance Costs (excludes lease costs) + Net Rent Expense + ROU depreciation)

Dividends

Dividend

- Interim dividend 8.5 cps
    - Ex dividend date: 13 December 2024
    - Record date: 16 December 2024
    - Payment date: 29 January 2025

Dividend reinvestment plan

- No discount
- Participation deadline: 17 December 2024
- Pricing period: 6 January 2025 – 17 January 2025
- Announcement of DRP price : 20 January 2025
- Announcement of number of shares to be issued: 28 January 2025
- Shares issued: 29 January 2025

Target dividend payout ratio
~70% UPAT

Metcash

Disciplined Execution

Continued focus on costs, working capital and synergies

Cost Savings

- Cost-out program launched successfully across the Group, targeting operational efficiency and cost optimisation
- Good progress in identifying and implementing key cost-saving measures, with work ongoing to realise additional opportunities
- On track to deliver the targeted $15m in annualised cost savings in addition to operational savings generated by pillars

Working Capital

- Review of debt management to manage aged debt through the cycle
- Working with suppliers to address slow-moving and obsolete SKUs through clearance sales, stock redistribution and returns – exploring further opportunities
- Continued focus on optimising supplier payment terms, lead times, service levels and stock availability

Synergies

- Supplier trading term negotiations underway
- Implementing lower-cost sourcing and range expansion opportunities from Food, with further initiatives ongoing
- Leveraging Metcash warehouses in Perth and Melbourne, reducing reliance on 3PL storage and allowing Superior to tender for larger contracts
- Highlighted Superior Foods' offering at the IGA Expo
- Evaluating new supply chain optimisation opportunities

Group outlook

Doug Jones

Group Chief Executive Officer

Metcash

Outlook and trading update

Group

Total Group revenue for the first four weeks of 2H25 has been strong with growth in the Food, Liquor and Hardware pillars, partly buoyed by acquisitions.

Total Food revenue has increased significantly, including the acquisition of Superior Foods. Supermarkets sales ex tobacco continued to grow, reinforcing the business' resilience in a highly value conscious environment. Superior Foods is continuing to win new customers and perform in line with expectations.

In Liquor, independents are continuing to win share from the chains, led by the IBA network. This is being underpinned by the networks tailored, localised offer and convenience.

In Hardware, soft Trade activity continues to place pressure on volumes and retail store margins. In IHG, a strong focus on costs and accelerating growth initiatives is expected to provide earnings benefits in 2H25. In Total Tools, competition remains strong, albeit at a more normal level. The business expects trading in the second half to be stronger than 2H24.

Metcash remains well positioned with the plans, platform, capabilities and diverse business portfolio for future growth and strong returns through the cycle.

Pillar sales – first 4 weeks of 2H25

Group[1]

- Total sales +8.0%

Food

- Total Food ex-tobacco +22.6% (12.4% incl. tobacco)
  - Total Supermarkets and Campbells & Convenience +2.9% (-2.6% incl. tobacco)
  - Supermarkets wholesale sales +2.3% (-3.7% incl. tobacco)
  - Wholesale price inflation (ex tobacco and produce) 0.2%
  - Superior Foods +6.1%[2]

Liquor

- Total Liquor sales +4.4%
  - Wholesale sales to IBA retail and contract customers +5.0%
  - Wholesale sales to on-premise customers flat

Hardware

- IHG +3.6% (-2.1% excl. benefit of Alpine Truss and Bianco)
- Total Tools first 3 weeks +2.6%[3] (network sales +6.5%[3], network LfL sales flat[3])

1. Total Group sales are for the first 4 weeks of 2H25
2. Superior Foods' sales growth is compared against Superior Foods' PCP
3. Total Tools sales are for the first 3 weeks of 2H25. Week 4 is impacted by the timing of Black Friday trading (i.e. not in week 4 2H25, but in PCP).

Metcash

Appendices

1. Financial history
2. Total Tools EBIT margin
3. Put options Total Tools & put option accounting and maturity
4. Bannered store numbers
5. Pillar strategic initiatives
6. ESG highlights
7. Project Horizon update
8. Pro-forma average net debt – 1H25

Financial history

01.

	1H25	1H24	1H23	1H22	1H21
Financial Performance					
Sales revenue ($m)	8,470.9	7,837.7	7,737.8	7,150.6	7,059.7
Sales revenue (including charge-through sales) ($m)	9,571.6	9,000.9	8,862.7	8,129.1	8,093.9
Underlying EBIT ($m)	246.1	246.5	255.1	231.2	203.0
Underlying EBIT margin[1] (%)	2.6	2.7	2.9	2.8	2.5
Net finance costs ($m)	(57.7)	(44.9)	(26.8)	(22.8)	(21.3)
Underlying profit after tax ($m)	134.6	142.5	159.9	146.6	129.6
Reported profit after tax ($m)	141.8	141.0	125.7	128.8	125.1
Operating cash flows ($m)	164.0	217.7	89.6	212.1	314.9
3 yr rolling average cash realisation ratio[2] (%)	85.5%	84.3%	77.5%	81.4%	81.1%
Financial Position					
Shareholder's equity ($m)	1,588.2	1,145.9	1,089.4	1,117.5	1,369.1
Net (debt)/cash ($m)	(725.0)	(329.4)	(364.4)	(148.6)	172.5
Debt leverage ratio[3]	1.26x	0.59x	0.65x	0.36x	(0.40x)
Gearing ratio[4] (%)	31.3%	22.3%	25.1%	11.7%	na
Return on funds employed[5] (%)	22.7%	27.2%	30.2%	30.5%	30.4%
Share Statistics					
Fully paid ordinary shares (m)	1,097.7	977.1	965.5	965.5	1,022.4
Weighted average ordinary shares (m)	1,093.6	970.2	965.5	1,000.8	1,021.5
Underlying earnings per share (cents)	12.3	14.7	16.6	14.6	12.7
Reported earnings per share (cents)	13.0	14.5	13.0	12.9	12.2
Dividends declared per share (cents)	8.5	11.0	11.5	10.5	8.0

1. EBIT margin = EBIT / Total revenue (including charge-through sales)
2. Cash flows from operations / Underlying NPAT + Depreciation and Amortisation (depreciation and amortisation not tax effected)
3. Net Debt / (Underlying EBITDA - depreciation of ROU assets) (rolling 12 month basis)
4. Net Debt / (Shareholders' Equity + Net Debt)
5. Underlying EBIT (rolling 12 months basis) / Average of opening and closing funds employed

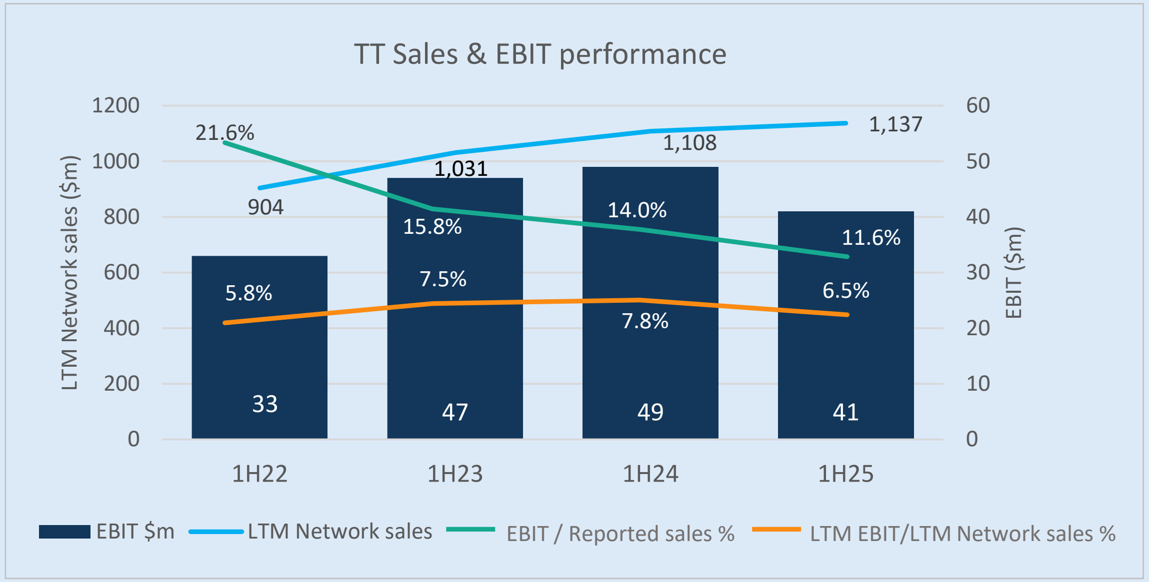
Metcash

Hardware – Total Tools (EBIT margin deep dive)

02.

Focus on maximising EBIT dollars

- Expanding JV store network is a key growth strategy
- Results in:
  - Additional EBIT dollars
  - Decline in blended margin
    - Increase in earnings through retail store margin (lowest margin in earnings mix)



Drivers of blended margin

Earnings mix	EBIT Margin	FY25 comments	Strategy
Franchise income	Highest	• Grows with sales	• Open new stores • Grow LfL sales
Exclusive Brands	Mid	• Represents ~12% of network sales • Transition to Ravenhall from Shanghai and Taiwan complete providing growth and synergy opportunities	• Grow EB sales in relevant categories to deliver shopper value and maintain margins
Retail store margin	Lowest ~7% weighted average	• Intense pricing pressure and margin compression in Q1 1H25 • CODB initiatives • Economic conditions	• Grow exclusive brands mix • Customer engagement through Insider program • LfL sales growth (increased sales per sqm) • Grow & evolve supplier partnerships

Total Tools and put option accounting

03.

By virtue of put option accounting requirements, Metcash consolidates 100% of the Total Tools JV store earnings (with no non-controlling interest) and 100% of the balance sheet, notwithstanding Total Tools Holdings' ownership interest of between 51% - 95% in 52 Total Tools JV stores.

At 31 October 2024, Metcash has recognised put option liabilities in relation to:

- Put options over the residual 5% - 49% interest in 52 joint venture stores valued in aggregate at $111.1m, and exercisable by put holders between FY26-FY31
- The exercise price of the put options are based on a multiple of the relevant EBITDA adjusted for a number of items including net debt and working capital

From an accounting policy perspective, the above put option liabilities are:

- Initially measured at the present values of the put option exercise prices estimated to be payable under each option
- Subsequently remeasured at each reporting date at the estimated put option exercise price. Any change in value is recorded as a significant item within the Statement of Comprehensive Income, together with the net present value interest unwind on the put option liability
- As a result of recognising the put options, Metcash has not recognised the minority shareholders' non-controlling interest in the joint venture stores

If a call or put option is exercised or Metcash acquires an additional ownership interest by step acquisition, then the purchase consideration is deducted from the put option liability, and the put option liability in relation to any residual minority interest is revalued, with the valuation difference recorded as a significant item in the Statement of Comprehensive Income. In this circumstance, there is no change to the underlying accounting for the acquired business, because Metcash was already consolidating 100% of earnings and 100% of the balance sheet, and had already derecognised the non-controlling interest.

Further details are contained in notes 3.3 and 4.2 of the 1H25 Financial Report

Put options – maturity

03.

Put option maturity at 1H25

	Number of stores	Financial Year	Put option value $m
Statement of Financial Position			
Total Tools JV Stores			
Between May 2025 and July 2025	4	FY26	5.0
Between May 2026 and July 2026	2	FY27	7.8
Between May 2027 and July 2027	25	FY28	63.5
Between May 2028 and July 2028	9	FY29	5.6
Between May 2029 and July 2029	2	FY30	2.7
Between May 2030 and July 2030	10	FY31	26.5
Total Tools JV Store put options	**52**		111.1
Other put options – Hardware pillar			17.9
Total Put Option Liability			**129.0**

Further details are provided in note 4.2 of the 1H25 Financial Report

Bannered store numbers

04.

	October 2024	Store movement in period: opened / joined banner group	Store movement in period: closed / left banner group	April 2024
Supermarkets				
Supa Valu IGA	4			4
Large format IGA	244			244
Medium format IGA	637			642
Small Format IGA	400			391
Total IGA bannered stores	1,285	15	(11) [1]	1,281
Total Supermarket Network (all banners)	**2,448**			**2,449**
Total Campbells & Convenience	**16**			**16**
Hardware				
Mitre 10	376			374
Home Hardware	157			151
True Value Hardware, Thrifty-Link, Hardings & Design 10	79			91
Total Tools	122			118
Total Hardware [2]	**734**	**10**	**(10)**	**734**
Liquor				
Cellarbrations	519			511
The Bottle-O	268			264
IGA Liquor	476			473
Porters	34			30
Thirsty Camel (NSW/ACT, QLD, TAS, SA/NT)	133			131
Other	1,919			1,896
Total Liquor	**3,349**	**187**	**(143)**	**3,305**

1. During the period, 15 IGA branded stores were opened or joined the banner group, 5 IGA branded stores closed and 6 transferred to non-IGA independent brands, with Metcash retaining supply to all 6 stores
2. Includes 156 (FY24: 151) company-owned and joint venture stores within the Mitre 10, Home Hardware banners, and 57 (FY24: 59) company-owned and joint venture stores within the Total Tools banner

Strategic initiatives update

05.

	Food	Liquor	Hardware
Leveraging platform for M&A growth and enhancing performance	• Completed acquisition of Superior Food in June 2024	• N/A	• Completed acquisition of Bianco and Alpine Truss in March 2024 • Total Tools accelerated growth in commercial segment (+22% in 1H25)
Extending through value chain for growth and resilience	• 15 new stores opened	• 21 net new Tier 1 bannered stores	• 8 rebranded to M10/HH stores • 5 new Total Tools stores (Total now 122)

Delivering unique, differentiated value ('Best Store in Town')	• Completed Network of the Future program
	• Additional 42 DSA store upgrades in period
		• Continued investment in store and cool room upgrades (further 55 stores, 39 cool rooms)
		• ALM Ross – Retailer One Stop Shop complete
			• 227 Sapphire store upgrades completed
			  ○ 5 upgrades in 1H25
			  ○ 27%+ av. scan sales uplift over 3 yrs
			• Whole of House strategy – supplying ~45% of house build (target 50%)) – largest percentages: frame & truss, lock up and fix & fitout

Extending and strengthening core competitive advantages	• Continued accelerated progress of Sorted platform
	  ○ 98.5% of charge-through now processed via Sorted
	  ○ >85k lines available
	  ○ +50k transactions processed per week
	• Major upgrade of Sorted B2B marketplace completed in October in readiness for Campbells and ALM expansion in 2025
	• IGA Rewards loyalty program – ~76% of network signed up
	• Retail media in store screen installation deployment underway, further rollout in Q4
		• ALM Connect (B2B platform) launched and trading underway
		  ○ 455 suppliers currently on platform
		  ○ ~8,900 products on platform
		• Platinum program (accelerating growth through digital, data, standards and compliance) underway
		  ○ Strong retailer engagement and execution with ~155 stores participating
		  ○ Suppliers representing >50% NIV onboarded
		• Stores participating in loyalty program up 20% from FY24
			• Continued to expand IHG eComm offer
			• Successful transition to new IHG loyalty platform
			  ○ 5% increase in active loyalty members
			  ○ Loyalty sales +23% v FY24
			• Total Tools Insider Loyalty members now ~2m (represent 91% penetration)

Continued good progress on ESG

06.

Disclosures

Modern Slavery Statement

'B' assessment — by Monash University – released Nov 2024

Global Reporting Initiative

FY25
- FY23&24 'with-reference'
- FY25 reporting in-accordance with GR

Improvements

Total Reportable Injury Frequency Rate

12.05 TRIFR — 16% improvement on FY24

Diversity & Inclusion Recognition

45th position — Equileap top 100 position in gender equality

74th in 2023

Targets

Achieved Interim 2030 Emissions Target for FY24 NGER

3.3% — decrease from pcp (excl. Superior Foods)

Renewable Energy

22% — increase in on-site renewable energy generated

Impact

Donations through IGA community chest program

~$1.8m — charitable donations

Battery recycling

>350 tonnes — Since inception 2021

ESG disclosure and performance requirements increasing – we remain committed to continuous improvement

- 2040 net-zero emissions reduction target for Scope 1 and 2
- 100% renewable energy by 2025 target
- GRI aligned reporting since FY23
- FY26 alignment with new sustainability standards – AASB S2

Metcash

Project Horizon

Solution schematic

Substantially complete | In progress

Moving from legacy ERP to suite of Microsoft and best of breed strategic capabilities on evergreen cloud platform

Core finance on an evergreen transactional backbone

Supply Chain Control Tower

Inventory Planning and Optimisation

Fulfillment Orchestration

Transportation Planning and Optimisation

Pricing data service

Data Services: Microsoft Fabric analytics platform

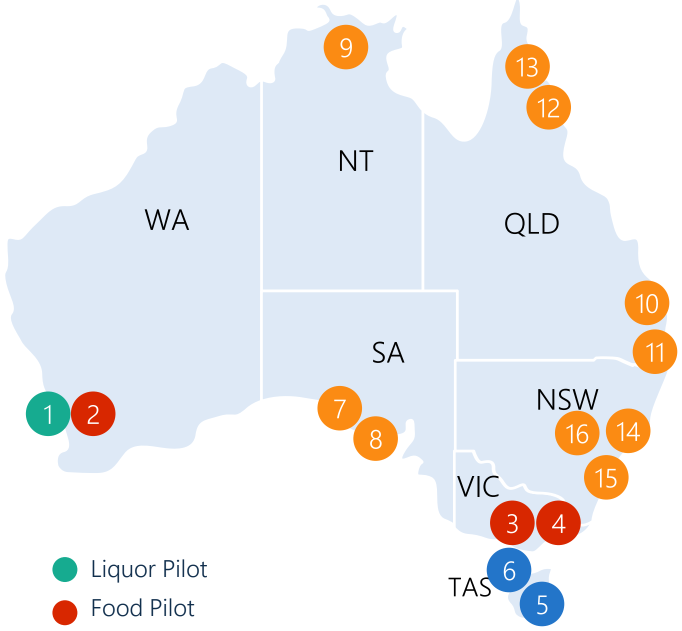
- Project reduces technology complexity and delivers increased capability and reliability. Also increases automation and drives efficiencies across Food and Liquor
- It is a large and complex program subject to ongoing risk of execution, cost overruns and further delays (examples of risks: build velocity, defect resolution, solution performance engineering, extended deployment stabilisation, schedule risk from Microsoft technology performance under peak loads)
- Project risk being managed through disciplined approach and governance, including independent progress reviews
- Project includes deployment across 16 Food & Liquor DCs, 14 Campbells sites and 3 customer centres
- Using Microsoft Core plus 'best of breed' e.g. Blue Yonder

- Combination of D365 and Power Enterprise (with enhancements) to be used as the pricing engine

Target Project Costs	Capex $m	Sig. item (pre-tax) $m	Sig. item (post-tax) $m
FY25	~17-21	~18-22	~12-16
FY26	~12-16	~12-16	~8-12
1H27	~1-2	~2-4	~1.5-3

- Project in 'Core Build' phase with excellent progress being made – on target for completion by early Feb 25
- Testing expected Jan 25 – June 25
- Targeting Project completion by July 26
- Total Project cost guidance remains $290m – $300m

Deployment schedule

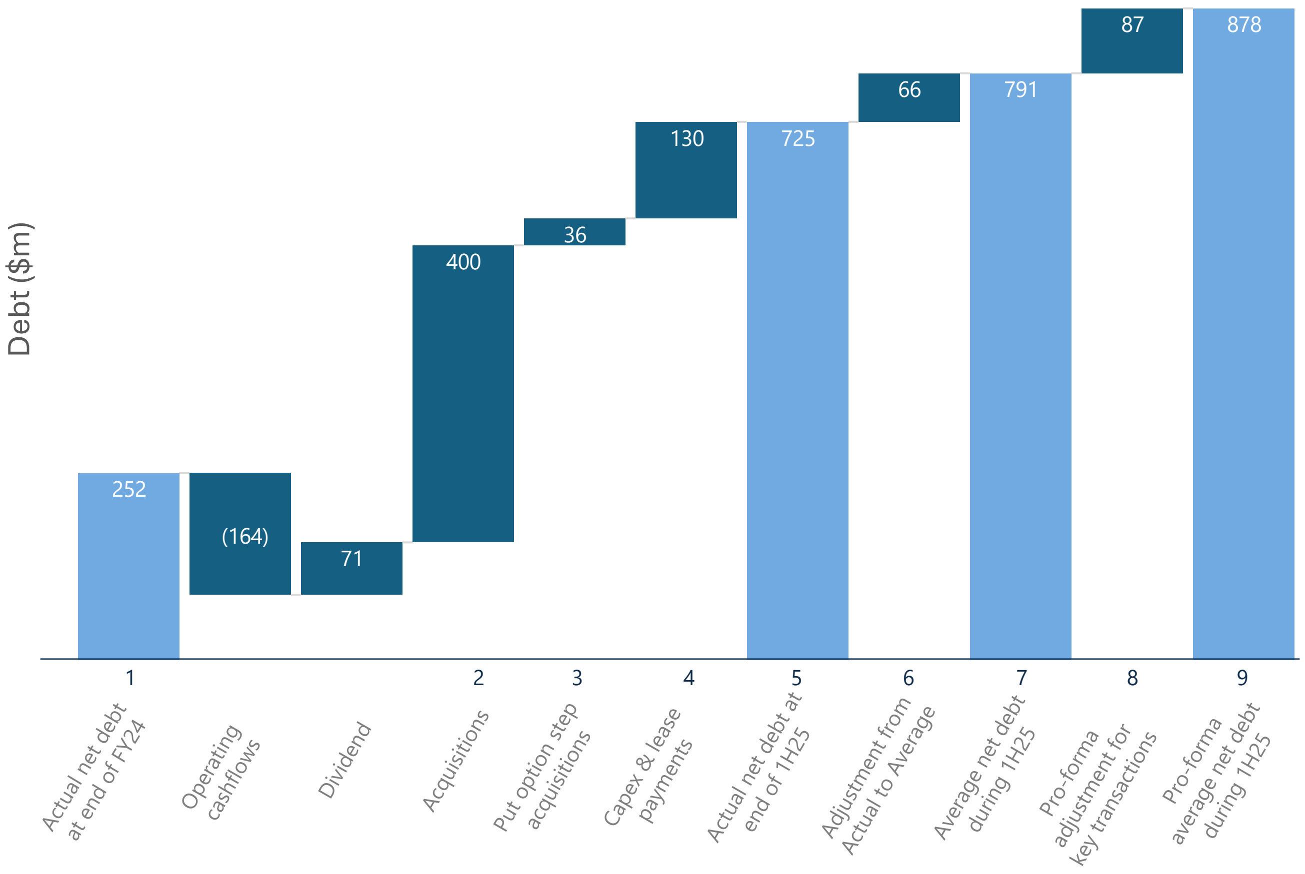


- Liquor Pilot
- Food Pilot
- Final Capability Deploy (NDC)
- Roll out to remaining sites

Pro-forma average net debt – 1H25

08.

Metcash's pro-forma average net debt during the six months of 1H25 was $878.1m
This equates to a DLR of 1.53x[10], which is within the target range of 1.0x to 1.75x



Notes:

1. Represents the actual net debt position at the end of April 2024. Note that this included cash paid for the acquisition of Bianco and Alpine Truss (total EV $146.2m) and the Equity Raise proceeds ($360m), but did not include the cash outflow in relation to the acquisition of Superior Foods
2. The cash outflow from acquisitions of businesses in 1H25 of $400.1m comprised $385.3m in relation to Superior Foods, $7.1m in relation to other bolt-on acquisitions and $7.7m of cash paid to settle deferred purchase consideration in relation to acquisitions from prior years
3. During 1H25, Metcash paid $36.1m to increase its ownership interest in 15 Total Tools JV stores, through step-acquisition from non-controlling interests
4. Comprises $71.0m of capex, $64.6m of net lease payments and $5.6m of net loan receipts
5. Represents the actual net debt position at the end of October 2024
6. A normalisation adjustment equal to the difference between the average net debt over the 6 months of 1H25 of $790.7m and the actual closing net debt position of $725.0m
7. Represents the average net debt position over the six months of 1H25
8. A pro-forma adjustment to restate average net debt as if the acquisition of the Superior business occurred at the beginning of 1H25, rather than the actual date of acquisition of 3 June 2024 as well as adjusting for the 15 Total Tools JV store step acquisitions
9. Represents the pro-forma average net debt position for 1H25, as if the key transactions had occurred at the beginning of 1H25
10. The pro-forma DLR ('Debt Leverage Ratio') of 1.53x represents the pro-forma average net debt of $878.1m divided by Metcash's actual EBITDA less ROU asset deprecation for the rolling 12 months ended 1H25 of $574.1m

Metcash